

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

*In re New Jersey Tax Sales Certificates  
Antitrust Litig.*

Master Docket No. 3:12-CV-01893-MAS-TJB

**JOINT STATUS REPORT**

The parties submit this status report pursuant to the Court's September 13, 2012, Order. Plaintiffs' counsel prepared a draft of this report and circulated to all counsel for all comment on Sunday, September 16, 2012. All parties except plaintiff Senatore Builders and defendants Mooring Tax Asset Group, LLC, Robert W. Stein, CCTS Capital, LLC, Stein & Zeitz, LLC, Richard Pisciotta, Jr., Chun Li, Stephen E. Hruby, Crestar Capital, and U.S. Bank, N.A., join this status report.

**Nature and History of the Case**

This class action antitrust litigation concerns alleged anti-competitive conduct in the auction of "tax sale certificates" or "TSCs" in the State of New Jersey.

The litigation began with a Complaint that was initially filed in Superior Court of New Jersey, Chancery Division, Hunterdon County on March 13, 2012, and captioned *Boyer v. Stein et al.*, Case Number F-08-40780 ("Boyer Action"). On March 28, 2012, certain of the Defendants removed the Boyer Action to this Court and it was then assigned to the Honorable Freda L. Wolfson.

Following the removal of the Boyer Action, five additional class actions were filed.<sup>1</sup> In large part, all of the Actions are based on the same facts and legal claims as those in the Boyer Action, including claims under the Sherman Act and the New Jersey Antitrust Act. All of the cases seek damages and injunctive relief.

On June 11, 2012, Judge Wolfson consolidated the Actions for pretrial purposes. [Docket No. 55] ("Consolidation Order"). Pursuant to the Consolidation Order, Judge Wolfson

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<sup>1</sup> *Contarino v. M.D. Sass Investor Services, Inc. et al.* No. 3:12-CV-1957-NLH (filed March 30, 2012); *MSC, LLC v. Collins, et al.*, No. 3:12-CV-2395-FLW-TJB (filed April 20, 2012); *English v. CCTS, LLC, et al.*, No. 3:12-CV-2644-FLW-TJB (filed May 2, 2012); *Ledford et al. v. Stein et al.*, No. 3:12-CV-2869-FLW-TJB (filed May 11, 2012); *T&B Associates, Inc. v. Collins, et al.*, 3:12-CV-3010-FLW-TJB (filed May 18, 2012). Collectively, these will be referred to as the "Actions."

established a master docket and file number (Master Docket No. 3:12-CV-1893-FLW-TJB). The Consolidation Order also provides that any subsequently-filed actions that relate to the same subject matter are also subject to the Consolidation Order.

Pursuant to the Consolidation Order, Defendants are not required to answer or otherwise move as to the complaints (§ 10) and, following the Court's appointment of lead counsel, the parties are to meet and confer with respect to the filing of a consolidated amended complaint and a proposed schedule setting forth when the Defendants must answer or otherwise move (§ 11).

After the entry of the Consolidation Order, on June 18, 2012, two additional actions relating to the same subject matter were filed.<sup>2</sup> While those actions are subject to the Consolidation Order, it appears that only the *Senatore* action has been consolidated with the first six actions.

### **Related Criminal Proceedings**

In addition to the civil class actions discussed above, there are related criminal proceedings in which nine of the Defendants in the civil actions have agreed to plead guilty to violations of the Sherman Act relating to certain auctions of TSC's in New Jersey.<sup>3</sup>

In an April 19, 2012 letter to Judge Wolfson, the Antitrust Division of the United States Department of Justice indicated that its criminal investigation is ongoing, and asked to be heard on the timing and scope of discovery should the Court allow discovery to proceed. [See April 19, 2012 Letter from Ludovic C. Ghesquiere to the Honorable Freda L. Wolfson in the Boyer Action and attached hereto as Ex. A].

### **Pending Motions**

There is currently one set of motions pending before the Court. Pursuant to the Consolidation Order, Judge Wolfson ordered that any Plaintiffs' counsel who wished to be appointed class counsel file a motion by June 8, 2012, with no opposition or replies permitted. [See Docket No. 55]. On June 8, 2012, two motions for class counsel were filed, both of which are still pending. The first motion seeks appointment of Trujillo Rodriguez and Richards LLC as Interim Class Counsel. [Docket No. 50]. The second motion seeks appointment of Lite DePalma Greenberg as Interim Liaison Counsel, and Hagens Berman Sobol Shapiro, LLP and Hausfeld LLP as Interim Class Counsel. [Docket No. 52].

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<sup>2</sup> *Jacobs et al. v. Collins, et al.*, No. 3:12-CV-3692-FLW-TJB; *Senatore Builders v. Rothman et al.*, No. 3:12-CV-4050-FLW-TJB.

<sup>3</sup> *U.S. v. Isadore H. May*, 2:11-CR-00562-DMC (August 24, 2011 guilty plea); *U.S. v. William A. Collins*, 11-CR-563-DMC (August 24, 2011 guilty plea); *U.S. v. Richard J. Pisciotto, Jr.*, 11-CR-561 (August 24, 2011 guilty plea); *U.S. v. David M. Farber*, 12-CR-139 – DMC (February 23, 2012 guilty plea); *U.S. v. Robert W. Stein*, 12-CR-140-DMC (February 23, 2012 guilty plea); *U.S. v. Robert Rothman*, 12-CR-210-DMC (March 27, 2012 guilty plea); *U.S. v. Stephen E. Hruby*, 2:12-CR-263-DMC (April 17, 2012 guilty plea); *U.S. v. David Butler*, 12-CR-273-DMC (April 23, 2012 guilty plea); and *U.S. v. DSBD, LLC*, 12-CR-274-DMC (April 23, 2012 guilty plea).

All plaintiffs' counsel respectfully request that the motions for appointment of class counsel be decided as expeditiously as possible, and once these motions are decided, that a schedule be discussed between the parties and proposed to the Court.

Respectfully submitted,

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